

ORIGINAL



0000160287

OPEN MEETING

MEMORANDUM

RECEIVED

Arizona Corporation Commission

2015 FEB 12 P 2:08

DOCKETED

AZ CORP COMMISSION  
DOCKET CONTROL

TO: THE COMMISSION

FEB 12 2015

FROM: Utilities Division

DATE: February 12, 2015

DOCKETED BY

nr

RE: IN THE MATTER OF THE APPLICATION OF SULPHUR SPRINGS VALLEY ELECTRIC COOPERATIVE, INC. FOR APPROVAL OF REVISIONS TO ITS SERVICE CONDITIONS (DOCKET NO. E-01575A-14-0378)

Introduction

On October 31, 2014, Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC" or the "Cooperative") filed an application to revise its Service Conditions ("Application"). The current Service Conditions were approved by the Arizona Corporation Commission ("Commission") in Decision No. 71274, dated September 8, 2009. SSVEC indicated in the Application that the proposed revisions to the Service Conditions do not result in any change in the Cooperative's approved rates and charges for service and none of the proposed revisions are contrary to or inconsistent with applicable sections of the Arizona Administrative Code ("A.A.C."). The proposed revisions include: clarifying language which may be ambiguous; adding supplemental language to certain provisions; streamlining existing language; adding a new Section 2.9.4; eliminating any unnecessary references to the A.A.C.; adding language regarding meter error corrections; adding sub-paragraph lettering; and updating, clarifying, and supplementing the Service Entrance Requirements contained in Exhibits A, B, C, D and E of the Service Conditions.

On November 17, 2014, SSVEC filed a notice to waive the 30-day time clock for processing tariff changes allowing for Staff and SSVEC to thoroughly review the proposed changes.

On November 26, 2014, SSVEC filed an additional revision to service conditions. With that filing, SSVEC provided a revised page 19 to the revised Service Conditions which added a new item #4 to Section 2.8.3(E).

Background

SSVEC is a member-owned Arizona non-profit cooperative with its principal business office in Willcox, Arizona. SSVEC is a public service corporation providing electric distribution service to approximately 51,000 customers in parts of Cochise, Santa Cruz, Pima and Graham counties. SSVEC's Board of Directors oversees all aspects of SSVEC's operations.

SSVEC's most recent rate case was approved in Decision No. 74381, dated March 19, 2014. The rate application was processed under A.A.C. R14-2-107, the "Electric or Natural Gas Cooperative Alternative Rate Application Filing Requirements and Process" ("Rule 107"). Rule 107 specifically outlines the level of increase in base revenue that a cooperative can request. Along with outlining the specific guidelines a cooperative has to meet to be eligible for the Rule 107 rate application process, Rule 107 also specifies what cannot be changed in a rate application filed under

THE COMMISSION

February 12, 2015

Page 2

Rule 107. Specifically, a cooperative is not allowed to make changes to tariff language within its Service Conditions. As a result, the changes that SSVEC has requested to its Service Conditions were filed in this new docket and processed by Commission Utilities Division Staff ("Staff") separate from the most recent rate case.

On December 16, 2014, SSVEC docketed a notice of filing affidavits of publication. The filing indicated that the Staff-approved customer notice ("Notice") regarding the potential changes to the Service Conditions was published on November 26, 2014, in the San Pedro Valley News-Sun, the Arizona Range News, the Sierra Vista Herald and the Bisbee Daily News. In addition, SSVEC placed a copy of the Notice on its website shortly after the application to revise its Service Conditions was filed.

Since some of the changes to the Service Conditions were items discussed and modified during the last A.A.C. R14-2-103 rate case for SSVEC (Docket No. E-01575A-08-0328, Decision No. 71274, dated September 8, 2009), SSVEC also mailed a copy of the Application to all of the parties on the service list for Docket No. E-01575A-08-0328.

Prior to the filing of the Application, SSVEC met with Staff to discuss the proposed revisions and provide a copy of what the Cooperative anticipated filing. At that meeting, SSVEC explained the need for each change to the sections and that each change did not have a revenue impact, thereby allowing for the processing of the tariff changes outside of a rate case proceeding.

Explanation of the Proposed Changes

SSVEC indicated in the Application that the proposed revisions to the Service Conditions are meant to clarify language which may be ambiguous; add supplemental language to certain provisions; streamline existing language in some sections; add a new Section 2.9.4 (Record of Consumption); eliminate an unnecessary reference to the A.A.C.; add language regarding meter error corrections; add sub-paragraph lettering; and update, clarify and supplement the Service Entrance Requirements contained in Exhibits A, B, C, D and E of the Service Conditions.

The changes filed in the Application begin with adjustments to the Table of Contents to adjust page numbers and insert new sections. No changes were made to the Definitions Section, while many changes were being requested to add sub-paragraph lettering.

Several modifications throughout the Application involved word changes, additions, and deletions meant to clarify the Service Conditions.

A new section, 2.9.4 Record of Consumption, was added. Clarification to Section 2.23 Unlawful Use of Electric Service was made. Language was added to Section 3.6.3 Meter Testing – Requested by the Customer (also a section name change to Error Corrections). The language added is taken directly from the A.A.C.

Street light extension applicability was clarified in Section 4.5.1 along with primary metering in recreational vehicle park developments in Section 4.12.

## THE COMMISSION

February 12, 2015

Page 3

Exhibit A to the Service Conditions, General Specification (0-3000 amperes/0-600 volts), requested changes to remove all of the specific clearance requirements that were previously specified and replace those with the requirement that "All electrical facilities shall be installed and maintained in the applicable clearances as defined by the National Electrical Safety Code (NECS) and/or the National Electrical Code (NFPA 70) as appropriate."

Also within Exhibit A, a section was added on Signal Distortion which requires compliance with the Institute of Electrical and Electronics Engineers ("IEEE") 519 guidelines (harmonic control). The changes provide that even if customer equipment is in compliance with these guidelines, and it is shown the customer's equipment is still creating problems, SSVEC can require the customer to correct the problem at the customer's expense.

Exhibit E, which concerns motor loads, has been revised to remove the references to specific mitigation measures the customer could take and the requirement that SSVEC approve the design of the customer's equipment.

Also within Exhibit E, SSVEC has incorporated that it has the right to 1) request an engineered design and 2) test and monitor the customer's equipment to ensure compliance to IEEE 519, and to require the customer to correct the problem at the customer's expense.

### Staff Analysis of the Proposed Changes

Staff has reviewed SSVEC's Application. Staff's analysis included an examination of what was changing in the Service Conditions and whether or not those changes conform with the A.A.C. governing the operation of a public utility.

With the exception of those items noted below, Staff agrees the suggested modifications to the Service Conditions are acceptable, are revenue neutral, and are in the public interest.

### Section 2.4.8

In regard to changes to Section 2.4.8-Grounds for Refusal of Service, SSVEC has requested to add subset lettering A-G. Staff agrees with the addition of the subset lettering. With regard to the changes to the proposed 2.4.8 (A), SSVEC has requested the changes below:

A. The Applicant has an outstanding ~~amount due~~balance ~~for the same class of Electric Service~~ with SSVEC, and the Applicant is unwilling to make arrangements with SSVEC for payment.

Staff has reviewed whether these modifications are in accordance with the A.A.C.. Staff agrees with deleting "amount due" and inserting "balance". However, Staff does not agree with the deletion of "for the same class of Electric Service". When reviewing the A.A.C. R14-2-203 (C)(1), Staff does not agree that it is appropriate to refuse service in one class of service for applicants with an outstanding balance in a different class of service. The A.A.C. clearly indicates that refusal of service is acceptable for the same class of utility service with that utility if the applicant has an outstanding balance. In addition, the deletion of the words in 2.4.8 (A) referencing "for the same class of Electric Service" directly conflicts with Section 2.20.1 (C) of SSVEC's approved Service

Conditions which outlines that a non-permissible reason to disconnect electric service is nonpayment of a bill related to another class of Electric Service.

Staff proposes the following for 2.4.8 (A):

A. The Applicant has an outstanding ~~amount due~~balance for the same class of Electric Service with SSVEC, and the Applicant is unwilling to make arrangements with SSVEC for payment.

#### Section 2.5.6

In regard to changes to Section 2.5.6-Service Calls During Regular Business Hours, SSVEC has requested to add subset lettering A-C and incorporate additional language for field trip charges. SSVEC's Application has requested the changes below:

#### **2.5.6 SERVICE CALLS DURING REGULAR BUSINESS HOURS**

Service charges as provided in SSVEC's approved Tariffs shall be imposed for service calls performed during regular business hours for one of the following reasons:

A. Interruptions caused by the Customer's negligence or failure of Customer-owned equipment. Reasonable efforts will be made to advise the Customer about the responsibility of such charges before the service call starts.

B. Reconnection of Electric Service to any Customer previously disconnected for nonpayment, field trip due to tampering, theft or unlawful use of service, misrepresentation to SSVEC, unsafe conditions, threats to SSVEC personnel or property, failure to permit safe access, detrimental effects of Customer loads on SSVEC's system, or failure to establish credit and/or follow procedures to establish Electric Service.

C. Meter testing performed at the written request of the Customer. However, if SSVEC's test shows that the Meter is inaccurate by more than three (3) percent, the service charge will be waived or refunded to the Customer.

After discussing in more detail when a reconnection fee is applicable versus when a charge for a field trip is applicable, Staff and SSVEC agree and propose the following for Section 2.5.6:

#### 2.5.6 SERVICE CALLS DURING REGULAR BUSINESS HOURS

Service charges as provided in SSVEC's approved Tariffs shall be imposed for service calls performed during regular business hours for one of the following reasons:

A. Interruptions caused by the Customer's negligence or failure of Customer-owned equipment. Reasonable efforts will be made to advise the Customer about the responsibility ~~for~~ such charges before the service call starts.

B. Reconnection of Electric Service to any Customer previously disconnected for ~~nonpayment, field trip due to tampering, theft or~~ unlawful use of service ~~(including tampering or theft)~~, misrepresentation to SSVEC, unsafe conditions, threats to SSVEC personnel or property, failure to permit safe access, detrimental effects of Customer loads on SSVEC's system, or failure to establish credit and/or follow procedures to establish Electric Service.

B-C. Premises visits regarding action associated with disconnection of Electric Service for non-payment of a delinquent bill (whether or not service is actually disconnected as a result of such visit) or for reconnection of Electric Service that has previously been disconnected for non-payment. The service charge may be applied in the case of reconnections effectuated through remote metering when the Customer has been disconnected for non-payment of a delinquent bill.

C-D. Meter testing performed at the written request of the Customer. However, if SSVEC's test shows that the Meter is inaccurate by more than three (3) percent, the service charge will be waived or refunded to the Customer.

In addition, Staff suggests that SSVEC make the corresponding changes to page 41 of the SSVEC tariff that references the service calls during regular business hours to reflect the proposed changes to 2.5.6.

#### Section 2.5.7

In regard to changes to Section 2.5.7-Service Calls After Regular Business Hours, SSVEC has requested to add subset lettering A-E and incorporate additional language for field trip charges. SSVEC's Application has requested the changes below:

#### 2.5.7 SERVICE CALLS AFTER REGULAR BUSINESS HOURS

Service charges as provided in SSVEC's approved Tariffs shall be imposed for a service call after regular business hours for one of the following reasons:

A. Interruptions caused by the Customer's negligence or failure of Customer-owned equipment, even though SSVEC is unable to perform any work beyond the Point of Delivery. The Customer shall be advised about the possibility of such charges before the service call starts.

B. Reconnection of Electric Service to any Customer previously disconnected for nonpayment, field trip due to tampering, theft or unlawful use of service, misrepresentation to SSVEC, unsafe conditions, threats to SSVEC personnel or property, failure to permit safe access, detrimental effects of Customer loads on SSVEC's system, or failure to establish credit and/or sign an agreement for service. Such work will be performed only when requested and agreed to by the Customer.

C. Should Electric Service be established during a period other than regular working hours at the Customer's request, the Customer may be required to pay an after-hour charge for the Service Connection. Where SSVEC scheduling will not permit Service Establishment on the same day requested, the Customer can elect to pay the after-hour charge for establishment that day or his service will be established on the next available normal business day.

D. For the purpose of this Section, the definition of Service Establishments are where the Customer's facilities are ready and acceptable to SSVEC and SSVEC needs only to install a Meter, read a Meter, or turn on Electric Service.

E. Except in emergency situations, as determined by SSVEC in its sole discretion, SSVEC will not make a service call after 9:00 p.m.

After discussing in more detail when a reconnection fee is applicable versus when a charge for a field trip is applicable, Staff and SSVEC agree and propose the following for Section 2.5.7:

### 2.5.7 SERVICE CALLS AFTER REGULAR BUSINESS HOURS

Service charges as provided in SSVEC's approved Tariffs shall be imposed for a service call after regular business hours for one of the following reasons:

A. Interruptions caused by the Customer's negligence or failure of Customer-owned equipment, even though SSVEC is unable to perform any work beyond the Point of Delivery. The Customer shall be advised about the responsibility for possibility of such charges before the service call starts.

B. Reconnection of Electric Service to any Customer previously disconnected for ~~nonpayment, field trip due to tampering, theft or~~ unlawful use of service (including tampering or theft), misrepresentation to SSVEC, unsafe conditions, threats to SSVEC personnel or property, failure to permit safe access, detrimental effects of Customer loads on SSVEC's system, or failure to establish credit and/or sign an agreement for service. Such work will be performed only when requested and agreed to by the Customer.

C. Premises visits regarding action associated with disconnection of Electric Service for non-payment of a delinquent bill (whether or not service is actually disconnected as a result of such visit) or for reconnection of Electric Service that has previously been disconnected for non-payment. The service charge may be applied in the case of reconnections effectuated through remote metering when the Customer has been disconnected for non-payment of a delinquent bill.

~~C.~~D. Should Electric Service be established during a period other than regular working hours at the Customer's request, the Customer may be required to pay an after-hour charge for the Service Connection. Where SSVEC scheduling will not permit Service Establishment on the same day requested, the Customer can elect to pay the after-hour charge for establishment that day or his service will be established on the next available normal business day.

~~D.~~E. For the purpose of this Section, the definition of Service Establishments are where the Customer's facilities are ready and acceptable to SSVEC and SSVEC needs only to install a Meter, read a Meter, or turn on Electric Service.

E.F. Except in emergency situations, as determined by SSVEC in its sole discretion, SSVEC will not make a service call after 9:00 p.m.

In addition, Staff suggests that SSVEC make the corresponding changes to page 42 of the SSVEC tariff that references the service calls after regular business hours to reflect the proposed changes to 2.5.7.

Section 2.5.8

In regard to changes to Section 2.5.8-Charges for Electric Service Connections, the Application requested to add subset lettering A-C and replace "connections" with "requests". SSVEC's Application has requested the changes below:

**2.5.8 CHARGES FOR ELECTRIC SERVICE CONNECTIONS**

A. New and Additional Electric Service Connections. Service charges as provided in SSVEC approved Tariffs shall be imposed for new and additional Electric Service ~~connections~~requests or for a change in Electric Service location to a new address.

B. Service Connection Callbacks. Service charges as provided in SSVEC approved Tariffs shall be imposed for a return trip to connect Electric Service if, at the Customer's request, it was previously made available at the Point of Delivery, if an inaccurate service address provided by the Customer results in a Service Connection callback or if the Customer postpones or cancels any service order already completed by SSVEC. Except in emergency situations as determined by SSVEC, SSVEC will not connect Electric Service after 9:00 p.m.

C. Property Damage. The Customer shall be billed for damages to SSVEC equipment or property caused by the Customer or the Customer's employee(s) or agent(s). Such damages and the cost of repair shall be billed at SSVEC's current rates for labor, transportation, equipment, and materials, less appropriate credit for salvage, if any.

After discussing in more detail the requested modifications to 2.5.8, Staff and SSVEC agree and propose the following for Section 2.5.8:

**2.5.8 CHARGES FOR ELECTRIC SERVICE CONNECTIONS**

A. New and Additional Electric Service Connections. Service charges as provided in SSVEC approved Tariffs shall be imposed for



new and additional Electric Service ~~connections-requests~~ or for a change in Electric Service location to a new address.

B. Service Connection Callbacks. Service charges as provided in SSVEC approved Tariffs shall be imposed for a return trip to connect Electric Service if, at the Customer's request, it was previously made available at the Point of Delivery, if an inaccurate service address provided by the Customer results in a Service Connection callback or if the Customer postpones or cancels any service order already completed by SSVEC. Except in emergency situations as determined by SSVEC, SSVEC will not connect Electric Service after 9:00 p.m.

C. Property Damage. The Customer shall be billed for damages to SSVEC equipment or property caused by the Customer or the Customer's employee(s) or agent(s). Such damages and the cost of repair shall be billed at SSVEC's current rates for labor, transportation, equipment, and materials, less appropriate credit for salvage, if any.

In addition, Staff suggests that SSVEC make the corresponding changes to page 41 of the SSVEC tariff that references the service connections to reflect the proposed changes to 2.5.8.

#### Section 2.9.4

SSVEC's Application requested the new section below:

#### 2.9.4 RECORD OF CONSUMPTION

The installation and/or registration of SSVEC's meter at the customer's point of delivery shall serve as initiation of service and evidence of the amount of energy and/or billing demand used by the customer, except where non-metered service is supplied. However, in the event of failure of SSVEC's meter or of SSVEC personnel to obtain an actual reading, SSVEC will estimate the usage in accordance with Scheduled EM --Estimation Methodologies.

After discussing in more detail the requested insertion of 2.9.4, Staff and SSVEC agree and propose the following (changes from what was in the Application are in italics) as a new Section 2.9.4:

#### **2.9.4 RECORD OF CONSUMPTION**

The installation and/or registration of SSVEC's meter at the customer's point of delivery shall serve as initiation of service and the meter reading shall serve as evidence of the amount of energy and/or billing demand used by the customer, except where non-metered service is supplied. However, in the event of failure of SSVEC's meter or of SSVEC personnel to obtain an actual reading, SSVEC will estimate the usage in accordance with Scheduled EM - Estimation Methodologies.

#### **Section 2.20.3**

In regard to changes to Section 2.20.3-Termination of Electric Service with Notice, the Application requested to add subset lettering A-B and delete a portion of the new subset A. SSVEC's Application has requested the changes below:

#### **2.20.3 TERMINATION OF ELECTRIC SERVICE WITH NOTICE**

A. ~~With the exception of Customers falling under A.A.C. R14-2-211.5,~~ SSVEC may disconnect Electric Service to any Customer for any reason stated below provided SSVEC has met the Notice requirements established by the ACC:

- (1) Customer violation of any of SSVEC's Tariffs.
- (2) Failure of the Customer to pay a delinquent bill for SSVEC Service.
- (3) Failure to meet or maintain SSVEC's deposit requirements.
- (4) Failure of the Customer to provide SSVEC reasonable access to its equipment and property.
- (5) Customer breach of contract for Electric Service between SSVEC and Customer.
- (6) When necessary for SSVEC to comply with an order of any governmental agency having such jurisdiction.

B. SSVEC shall maintain a record of all terminations of Electric Service with Notice. This record shall be maintained for one (1) year and available for ACC inspection.

Section R14-2-211.5 of the A.A.C. details those situations in which a regulated utility in the State of Arizona is not allowed to terminate service for a customer who has an inability to pay. Those situations include: (1) where a customer can establish through medical documentation, in the opinion of a licensed medical physician, that terminating service would be dangerous to the health of a customer on the premises, (2) where life support equipment is used in the home that is dependent upon utility service for operation, or (3) where weather will be dangerous to the health of someone in the home. All utilities regulated by the Commission are subject to these rules regarding when terminating service is not allowed.

During the most recent A.A.C. R14-2-103 rate case for SSVEC (Docket No. E-01575A-08-0328, Decision No. 71274, dated September 8, 2009), Staff expressed concern that SSVEC and its customers may not be fully grasping the intent behind A.A.C. R14-2-211.5. Rather than leaving room for misinterpretation of the rules outlining when a utility is not allowed to terminate service for a customer with an inability to pay, Staff recommended SSVEC incorporate in Section 2.20.3 of its Service Conditions a reference to the A.A.C. R14-2-211.5. Staff believed adding this reference would clarify for both SSVEC and its customers exactly the rules dictating such termination.

According to SSVEC's data response to Staff, it has requested to delete this reference to the A.A.C. as it was not in previous Service Conditions (prior to Decision No. 71274) and other utilities have not been required to incorporate this same reference. While Staff understands that other utilities have not been asked to incorporate the same language at this point, this does not preclude the Commission from requiring other utilities to incorporate the same language in the future. Staff believes the intent of the phrase SSVEC is requesting to delete is meant to clarify for both the utility and its customers exactly the terms in which utilities operate in the State of Arizona. Staff views the phrase as a valuable reference for customers if they are questioning service.

After discussing in more detail the requested modifications of Section 2.20.3, Staff agrees with the changes SSVEC has proposed in the Application incorporating the subset lettering A-B; however, Staff, as noted above, views the clarification of when the termination of service is not allowed as valuable. However, as an alternative, Staff proposes modifying Section 2.20.3 as indicated below deleting the reference to the A.A.C. but inserting a reference to earlier pages in the SSVEC Service Conditions (noted in italics).

### 2.20.3 TERMINATION OF ELECTRIC SERVICE WITH NOTICE

- A. ~~With the exception of Customers falling under A.A.C. R14-2-211.5,~~ SSVEC may disconnect Electric Service to any Customer for any reason stated below provided SSVEC has met the Notice requirements established by the ACC *with the exception of those items referenced in Section 2.20.1 of the SSVEC Service Conditions.*

- (i) Customer violation of any of SSVEC's Tariffs.
- (ii) Failure of the Customer to pay a delinquent bill for SSVEC Service.
- (iii) Failure to meet or maintain SSVEC's deposit requirements.
- (iv) Failure of the Customer to provide SSVEC reasonable access to its equipment and property.
- (v) Customer breach of contract for Electric Service between SSVEC and Customer.
- (vi) When necessary for SSVEC to comply with an order of any governmental agency having such jurisdiction.

B. SSVEC shall maintain a record of all terminations of Electric Service with Notice. This record shall be maintained for one (1) year and available for ACC inspection.

### Section 3.6.3

In regard to changes to proposed Section 3.6.3-Meter Error Corrections (existing Section is labeled Meter Testing – Requested by the Customer), the Application requested to add new paragraphs and clarify the existing language so it closer mirrors the language of A.A.C. R14-2-210 (E). SSVEC's Application has requested the changes below along with an additional sentence added to subset A (in italics):

### **3.6.3 METER TESTING ~~REQUESTED BY THE~~ CUSTOMER ERROR CORRECTIONS**

Any Customer may request a test on a Meter that is in the Customer's name and billed to the Customer. Test request forms are available at each SSVEC office which the Customer shall sign. The applicable service charge and Meter test charge for Service calls during regular business hours shall also be made in accordance with SSVEC's Tariffs.

If the meter is more ~~that~~ than 3% inaccurate, averaged between light and heavy load tests, tests slow or has stopped, all applicable Meter test and service charges shall be waived and the Customer's bill for that meter shall be adjusted accordingly for the three (3) immediately previous billing periods before Meter removal. correction of previous bills will be made under the following terms:

A. If the date of the meter error can be definitely fixed, SSVEC shall adjust the customer's billings back to that date. *If the date of the meter error can't be determined, adjustments to the customer's bills will be limited to three months for residential customers and six months for non-residential customers.* If the customer has been under-billed, the Co-op will allow the customer to repay the difference over an equal length of time that the under-billings occurred. The customer may be allowed to pay the back bill without late payment penalties, unless there is evidence of meter tampering or energy diversion.

B. If it is determined that the customer has been overbilled and there is no evidence of meter tampering or energy diversion, SSVEC will make prompt refunds in the difference between the original billings and the corrected billings.

C. No adjustment shall be made by the Co-op except to the customer last served by the meter tested.

The Meter shall be tested in the Meter shop before any adjustments are made, and if practical, before the Meter cover is removed. The Customer or a Customer representative may be present when the Meter is tested, but this must be stated in writing at the time the test request is made. If requested to do so, SSVEC personnel shall attempt to arrange a test during regular business hours with the Customer present. If, 30 Days after meter removal, SSVEC has been unable to arrange such a test because of failure on the Customer's part to attend the test, SSVEC shall test the Meter without the Customer being present. The Customer shall be notified of the results of the test by mail within a reasonable time after the test has been completed.

After discussing in more detail the requested modifications of Section 3.6.3, Staff agrees with the changes SSVEC has proposed in the Application without the additional sentence added to subsection A but requests the insertion of one additional paragraph (in italics) contained in A.A.C. R14-2-210 (E) which further clarifies how far back a utility can bill a customer for an under-billing when it is not possible to determine when exactly the meter error began and rephrase a sentence in the last paragraph (in italics):

### **3.6.3 METER TESTING — REQUESTED BY THE CUSTOMER ERROR CORRECTIONS**

Any Customer may request a test on a Meter that is in the Customer's name and billed to the Customer. Test request forms are available at each SSVEC office which the Customer shall sign. The

applicable service charge and Meter test charge for Service calls during regular business hours shall also be made in accordance with SSVEC's Tariffs.

If the meter is more ~~that~~ than 3% inaccurate, averaged between light and heavy load tests, tests slow or has stopped, all applicable Meter test and service charges shall be waived and the Customer's bill for that meter shall be adjusted accordingly for the ~~three (3) immediately previous billing periods before Meter removal~~. correction of previous bills will be made under the following terms:

A. If the date of the meter error can be definitely fixed, SSVEC shall adjust the customer's billings back to that date. If the customer has been under-billed, the Co-op will allow the customer to repay the difference over an equal length of time that the under-billings occurred. The customer may be allowed to pay the back bill without late payment penalties, unless there is evidence of meter tampering or energy diversion.

B. If it is determined that the customer has been overbilled and there is no evidence of meter tampering or energy diversion, SSVEC will make prompt refunds in the difference between the original billings and the corrected billings.

C. No adjustment shall be made by the Co-op except to the customer last served by the meter tested.

D. Any under-billing resulting from a stopped or slow meter, utility or Meter Reading Service Provider meter reading error, or a billing calculation shall be limited to three months for residential customers and six months for non-residential customers. However, if an under-billing by the utility occurs due to inaccurate, false, or estimated information from a third party, then that utility will have a right to back-bill that third party to the point in time that may be definitely fixed, or 12 months. No such limitation will apply to overbillings.

The Meter shall be tested in the Meter shop before any adjustments are made, and if practical, before the Meter cover is removed. The Customer or a Customer representative may be present when the Meter is tested, but this must be stated in writing at the time the test request is made. If requested to do so, SSVEC personnel shall attempt to arrange a test during regular business hours with the Customer present. If, ~~after 30 Days from when the meter was removed~~ after meter removal, SSVEC has been unable to arrange such a test because of failure on the Customer's part to attend the test, SSVEC shall test the Meter without the Customer being present.

The Customer shall be notified of the results of the test by mail within a reasonable time after the test has been completed.

Staff Recommendations

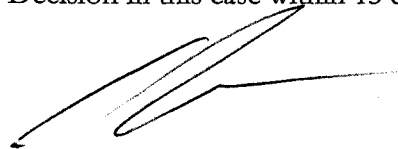
With the exception of those items noted above, Staff recommends the adoption of the suggested modifications to the Service Conditions, including the additional revision filed on November 26, 2014. Staff agrees these modifications are meant to be revenue neutral and are in the public interest.

Staff recommends adoption of the Staff suggested revisions as explained above in the Staff Analysis of the Proposed Changes to Sections 2.4.8, 2.20.3, and 3.6.3 of the SSVEC Service Conditions.

Staff further recommends the adoption of the suggested revisions agreed to by SSVEC and Staff as explained above in the Staff Analysis of the Proposed Changes for Sections 2.5.6, 2.5.7, 2.5.8, and 2.9.4 of the SSVEC Service Conditions.

In addition, Staff recommends that SSVEC revise its Schedule of Service Charges – Schedule SC Tariff Sheet Nos. 41-43 of its current Tariff, as indicated in the Staff Analysis of the Proposed Changes, to make similar modifications in the appropriate sections of Schedule SC.

Staff further recommends SSVEC be required to file, with Docket Control, revised Service Conditions and a revised Schedule of Service Charges – Schedule SC in compliance with the Decision in this case within 15 days of the effective date of the Decision.



Steven M. Olea  
Director  
Utilities Division

SMO:RSP:sms\WVC

ORIGINATOR: Ranelle Paladino

1                                   **BEFORE THE ARIZONA CORPORATION COMMISSION**

2   SUSAN BITTER SMITH  
      Chairman

3   BOB STUMP  
      Commissioner

4   BOB BURNS  
      Commissioner

5   DOUG LITTLE  
      Commissioner

6   TOM FORESE  
      Commissioner

7

8   IN THE MATTER OF THE APPLICATION )	DOCKET NO. E-01575A-14-0378
9   OF SULPHUR SPRINGS VALLEY )	
10  ELECTRIC COOPERATIVE, INC. FOR )	DECISION NO. _____
11  APPROVAL OF REVISIONS TO ITS )	
12  SERVICE CONDITIONS )	<u>ORDER</u>
13  _____ )	

12   Open Meeting  
13   March 2 and 3, 2015  
14   Phoenix, Arizona

15   BY THE COMMISSION:

16                                   FINDINGS OF FACT

17         1.     Sulphur Springs Valley Electric Cooperative, Inc. ("SSVEC" or the "Cooperative") is  
18     certificated to provide electricity as a public service corporation in the state of Arizona.

19     Introduction

20         2.     On October 31, 2014, SSVEC filed an application to revise its Service Conditions  
21     ("Application"). The current Service Conditions were approved by the Arizona Corporation  
22     Commission ("Commission") in Decision No. 71274, dated September 8, 2009. SSVEC indicated in  
23     the Application that the proposed revisions to the Service Conditions do not result in any change in  
24     the Cooperative's approved rates and charges for service and none of the proposed revisions are  
25     contrary to or inconsistent with applicable sections of the Arizona Administrative Code ("A.A.C.").  
26     The proposed revisions include: clarifying language which may be ambiguous; adding supplemental  
27     language to certain provisions; streamlining existing language; adding a new Section 2.9.4; eliminating  
28     any unnecessary references to the A.A.C.; adding language regarding meter error corrections; adding  
29     ...



1 sub-paragraph lettering; and updating, clarifying, and supplementing the Service Entrance  
2 Requirements contained in Exhibits A, B, C, D and E of the Service Conditions.

3 3. On November 17, 2014, SSVEC filed a notice to waive the 30-day time clock for  
4 processing tariff changes allowing for Staff and SSVEC to thoroughly review the proposed changes.

5 4. On November 26, 2014, SSVEC filed an additional revision to service conditions.  
6 With that filing, SSVEC provided a revised page 19 to the revised Service Conditions which added a  
7 new item #4 to Section 2.8.3(E).

8 Background

9 5. SSVEC is a member-owned Arizona non-profit cooperative with its principal business  
10 office in Willcox, Arizona. SSVEC is a public service corporation providing electric distribution  
11 service to approximately 51,000 customers in parts of Cochise, Santa Cruz, Pima and Graham  
12 counties. SSVEC's Board of Directors oversees all aspects of SSVEC's operations.

13 6. SSVEC's most recent rate case was approved in Decision No. 74381, dated March 19,  
14 2014. The rate application was processed under A.A.C. R14-2-107, the "Electric or Natural Gas  
15 Cooperative Alternative Rate Application Filing Requirements and Process" ("Rule 107"). Rule 107  
16 specifically outlines the level of increase in base revenue that a cooperative can request. Along with  
17 outlining the specific guidelines a cooperative has to meet to be eligible for the Rule 107 rate  
18 application process, Rule 107 also specifies what cannot be changed in a rate application filed under  
19 Rule 107. Specifically, a cooperative is not allowed to make changes to tariff language within its  
20 Service Conditions. As a result, the changes that SSVEC has requested to its Service Conditions were  
21 filed in this new docket and processed by Commission Utilities Division Staff ("Staff") separate from  
22 the most recent rate case.

23 7. On December 16, 2014, SSVEC docketed a notice of filing affidavits of publication.  
24 The filing indicated that the Staff-approved customer notice ("Notice") regarding the potential  
25 changes to the Service Conditions was published on November 26, 2014, in the San Pedro Valley  
26 News-Sun, the Arizona Range News, the Sierra Vista Herald and the Bisbee Daily News. In addition,  
27 SSVEC placed a copy of the Notice on its website shortly after the Application to revise its Service  
28 Conditions was filed.

1           8.       Since some of the changes to the Service Conditions were items discussed and  
2 modified during the last A.A.C. R14-2-103 rate case for SSVEC (Docket No. E-01575A-08-0328,  
3 Decision No. 71274, dated September 8, 2009), SSVEC also mailed a copy of the Application to all of  
4 the parties on the service list for Docket No. E-01575A-08-0328.

5           9.       Prior to the filing of the Application, SSVEC met with Staff to discuss the proposed  
6 revisions and provide a copy of what the Cooperative anticipated filing. At that meeting, SSVEC  
7 explained the need for each change to the sections and that each change did not have a revenue  
8 impact, thereby allowing for the processing of the tariff changes outside of a rate case proceeding.

9 Explanation of the Proposed Changes

10          10.       SSVEC indicated in the Application that the proposed revisions to the Service  
11 Conditions are meant to clarify language which may be ambiguous; add supplemental language to  
12 certain provisions; streamline existing language in some sections; add a new Section 2.9.4 (Record of  
13 Consumption); eliminate an unnecessary reference to the A.A.C.; add language regarding meter error  
14 corrections; add sub-paragraph lettering; and update, clarify and supplement the Service Entrance  
15 Requirements contained in Exhibits A, B, C, D and E of the Service Conditions.

16          11.       The changes filed in the Application begin with adjustments to the Table of Contents  
17 to adjust page numbers and insert new sections. No changes were made to the Definitions Section,  
18 while many changes were being requested to add sub-paragraph lettering.

19          12.       Several modifications throughout the Application involved word changes, additions,  
20 and deletions meant to clarify the Service Conditions.

21          13.       A new section, 2.9.4 Record of Consumption, was added. Clarification to Section 2.23  
22 Unlawful Use of Electric Service was made. Language was added to Section 3.6.3 Meter Testing –  
23 Requested by the Customer (also a section name change to Error Corrections). The language added is  
24 taken directly from the A.A.C.

25          14.       Street light extension applicability was clarified in Section 4.5.1 along with primary  
26 metering in recreational vehicle park developments in Section 4.12.

27          15.       Exhibit A to the Service Conditions, General Specification (0-3000 amperes/0-600  
28 volts), requested changes to remove all of the specific clearance requirements that were previously

1 specified and replace those with the requirement that "All electrical facilities shall be installed and  
2 maintained in the applicable clearances as defined by the National Electrical Safety Code (NECS)  
3 and/or the National Electrical Code (NFPA 70) as appropriate."

4 16. Also within Exhibit A, a section was added on Signal Distortion which requires  
5 compliance with the Institute of Electrical and Electronics Engineers ("IEEE") 519 guidelines  
6 (harmonic control). The changes provide that even if customer equipment is in compliance with these  
7 guidelines, and it is shown the customer's equipment is still creating problems, SSVEC can require the  
8 customer to correct the problem at the customer's expense.

9 17. Exhibit E, which concerns motor loads, has been revised to remove the references to  
10 specific mitigation measures the customer could take and the requirement that SSVEC approve the  
11 design of the customer's equipment.

12 18. Also within Exhibit E, SSVEC has incorporated that it has the right to 1) request an  
13 engineered design and 2) test and monitor the customer's equipment to ensure compliance to IEEE  
14 519, and to require the customer to correct the problem at the customer's expense.

15 **Staff Analysis of the Proposed Changes**

16 19. Staff has reviewed SSVEC's Application. Staff's analysis included an examination of  
17 what was changing in the Service Conditions and whether or not those changes conform with the  
18 A.A.C. governing the operation of a regulated utility.

19 20. With the exception of those items noted below, Staff agrees the suggested  
20 modifications to the Service Conditions are acceptable, are revenue neutral, and are in the public  
21 interest.

22 **Section 2.4.8**

23 21. In regard to changes to Section 2.4.8-Grounds for Refusal of Service, SSVEC has  
24 requested to add subset lettering A-G. Staff agrees with the addition of the subset lettering. With  
25 regard to the changes to the proposed 2.4.8 (A), SSVEC has requested the changes below:

26 A. The Applicant has an outstanding ~~amount due~~ balance ~~for the~~  
27 ~~same class of Electric Service~~ with SSVEC, and the Applicant is  
28 unwilling to make arrangements with SSVEC for payment.

1           22.     Staff has reviewed whether these modifications are in accordance with the A.A.C..  
2 Staff agrees with deleting "amount due" and inserting "balance". However, Staff does not agree with  
3 the deletion of "for the same class of Electric Service". When reviewing the A.A.C. R14-2-203 (C)(1),  
4 Staff does not agree that it is appropriate to refuse service in one class of service for applicants with an  
5 outstanding balance in a different class of service. The A.A.C. clearly indicates that refusal of service  
6 is acceptable for the same class of utility service with that utility if the applicant has an outstanding  
7 balance. In addition, the deletion of the words in 2.4.8 (A) referencing "for the same class of Electric  
8 Service" directly conflicts with Section 2.20.1 (C) of SSVEC's approved Service Conditions which  
9 outlines that a non-permissible reason to disconnect electric service is nonpayment of a bill related to  
10 another class of Electric Service.

11           23.     Staff proposes the following for 2.4.8 (A):

12               A.     The Applicant has an outstanding ~~amount due~~balance for the  
13 same class of Electric Service with SSVEC, and the Applicant is  
14 unwilling to make arrangements with SSVEC for payment.

15           Section 2.5.6

16           24.     In regard to changes to Section 2.5.6-Service Calls During Regular Business Hours,  
17 SSVEC has requested to add subset lettering A-C and incorporate additional language for field trip  
18 charges. SSVEC's Application has requested the changes below:

19               **2.5.6 SERVICE CALLS DURING REGULAR BUSINESS**  
20               **HOURS**

21               Service charges as provided in SSVEC's approved Tariffs shall be  
22 imposed for service calls performed during regular business hours for  
23 one of the following reasons:

24               A.     Interruptions caused by the Customer's negligence or failure of  
25 Customer-owned equipment. Reasonable efforts will be made to  
26 advise the Customer about the responsibility of such charges before  
27 the service call starts.  
28

1           B.     Reconnection of Electric Service to any Customer previously  
2           disconnected for nonpayment, field trip due to tampering, theft or  
3           unlawful use of service, misrepresentation to SSVEC, unsafe  
4           conditions, threats to SSVEC personnel or property, failure to permit  
5           safe access, detrimental effects of Customer loads on SSVEC's system,  
6           or failure to establish credit and/or follow procedures to establish  
7           Electric Service.

8           C.     Meter testing performed at the written request of the  
9           Customer. However, if SSVEC's test shows that the Meter is  
10          inaccurate by more than three (3) percent, the service charge will be  
11          waived or refunded to the Customer.

12          25.     After discussing in more detail when a reconnection fee is applicable versus when a  
13          charge for a field trip is applicable, Staff and SSVEC agree and propose the following for Section  
14          2.5.6:

15                   **2.5.6 SERVICE CALLS DURING REGULAR BUSINESS**  
16                   **HOURS**

17           Service charges as provided in SSVEC's approved Tariffs shall be  
18           imposed for service calls performed during regular business hours for  
19           one of the following reasons:

20           A.     Interruptions caused by the Customer's negligence or failure of  
21           Customer-owned equipment. Reasonable efforts will be made to  
22           advise the Customer about the responsibility for such charges before  
23           the service call starts.

24           B.     Reconnection of Electric Service to any Customer previously  
25           disconnected for nonpayment, field trip due to tampering, theft or  
26           unlawful use of service (including tampering or theft),  
27           misrepresentation to SSVEC, unsafe conditions, threats to SSVEC  
28           personnel or property, failure to permit safe access, detrimental effects

1 of Customer loads on SSVEC's system, or failure to establish credit  
2 and/or follow procedures to establish Electric Service.

3 B.C. Premises visits regarding action associated with disconnection  
4 of Electric Service for non-payment of a delinquent bill (whether or  
5 not service is actually disconnected as a result of such visit) or for  
6 reconnection of Electric Service that has previously been disconnected  
7 for non-payment. The service charge may be applied in the case of  
8 reconnections effectuated through remote metering when the  
9 Customer has been disconnected for non-payment of a delinquent bill.

10 C.D. Meter testing performed at the written request of the  
11 Customer. However, if SSVEC's test shows that the Meter is  
12 inaccurate by more than three (3) percent, the service charge will be  
13 waived or refunded to the Customer.

14 26. In addition, Staff suggests that SSVEC make the corresponding changes to page 41 of  
15 the SSVEC tariff that references the service calls during regular business hours to reflect the proposed  
16 changes to 2.5.6.

17 Section 2.5.7

18 27. In regard to changes to Section 2.5.7-Service Calls After Regular Business Hours,  
19 SSVEC has requested to add subset lettering A-E and incorporate additional language for field trip  
20 charges. SSVEC's Application has requested the changes below:

21 **2.5.7 SERVICE CALLS AFTER REGULAR BUSINESS HOURS**

22 Service charges as provided in SSVEC's approved Tariffs shall be  
23 imposed for a service call after regular business hours for one of the  
24 following reasons:

25 A. Interruptions caused by the Customer's negligence or failure of  
26 Customer-owned equipment, even though SSVEC is unable to  
27 perform any work beyond the Point of Delivery. The Customer shall  
28

1 be advised about the possibility of such charges before the service call  
2 starts.

3 B. Reconnection of Electric Service to any Customer previously  
4 disconnected for nonpayment, field trip due to tampering, theft or  
5 unlawful use of service, misrepresentation to SSVEC, unsafe  
6 conditions, threats to SSVEC personnel or property, failure to permit  
7 safe access, detrimental effects of Customer loads on SSVEC's system,  
8 or failure to establish credit and/or sign an agreement for service.  
9 Such work will be performed only when requested and agreed to by the  
10 Customer.

11 C. Should Electric Service be established during a period other  
12 than regular working hours at the Customer's request, the Customer  
13 may be required to pay an after-hour charge for the Service  
14 Connection. Where SSVEC scheduling will not permit Service  
15 Establishment on the same day requested, the Customer can elect to  
16 pay the after-hour charge for establishment that day or his service will  
17 be established on the next available normal business day.

18 D. For the purpose of this Section, the definition of Service  
19 Establishments are where the Customer's facilities are ready and  
20 acceptable to SSVEC and SSVEC needs only to install a Meter, read a  
21 Meter, or turn on Electric Service.

22 E. Except in emergency situations, as determined by SSVEC in its  
23 sole discretion, SSVEC will not make a service call after 9:00 p.m.

24 28. After discussing in more detail when a reconnection fee is applicable versus when a  
25 charge for a field trip is applicable, Staff and SSVEC agree and propose the following for Section  
26 2.5.7:

27 ...

28 ...

### 2.5.7 SERVICE CALLS AFTER REGULAR BUSINESS HOURS

Service charges as provided in SSVEC's approved Tariffs shall be imposed for a service call after regular business hours for one of the following reasons:

A. Interruptions caused by the Customer's negligence or failure of Customer-owned equipment, even though SSVEC is unable to perform any work beyond the Point of Delivery. The Customer shall be advised about the ~~responsibility for possibility~~ of such charges before the service call starts.

B. Reconnection of Electric Service to any Customer previously disconnected for ~~nonpayment, field trip due to tampering, theft or~~ unlawful use of service ~~(including tampering or theft)~~, misrepresentation to SSVEC, unsafe conditions, threats to SSVEC personnel or property, failure to permit safe access, detrimental effects of Customer loads on SSVEC's system, or failure to establish credit and/or sign an agreement for service. Such work will be performed only when requested and agreed to by the Customer.

C. Premises visits regarding action associated with disconnection of Electric Service for non-payment of a delinquent bill (whether or not service is actually disconnected as a result of such visit) or for reconnection of Electric Service that has previously been disconnected for non-payment. The service charge may be applied in the case of reconnections effectuated through remote metering when the Customer has been disconnected for non-payment of a delinquent bill.

C.D. Should Electric Service be established during a period other than regular working hours at the Customer's request, the Customer may be required to pay an after-hour charge for the Service Connection. Where SSVEC scheduling will not permit Service



1 Establishment on the same day requested, the Customer can elect to  
2 pay the after-hour charge for establishment that day or his service will  
3 be established on the next available normal business day.

4 ~~D.E.~~ For the purpose of this Section, the definition of Service  
5 Establishments is where the Customer's facilities are ready and  
6 acceptable to SSVEC and SSVEC needs only to install a Meter, read a  
7 Meter, or turn on Electric Service.

8 ~~E.F.~~ Except in emergency situations, as determined by SSVEC in its  
9 sole discretion, SSVEC will not make a service call after 9:00 p.m.

10 29. In addition, Staff suggests that SSVEC make the corresponding changes to page 42 of  
11 the SSVEC tariff that references the service calls after regular business hours to reflect the proposed  
12 changes to 2.5.7.

13 Section 2.5.8

14 30. In regard to changes to Section 2.5.8-Charges for Electric Service Connections, the  
15 Application requested to add subset lettering A-C and replace "connections" with "requests".  
16 SSVEC's Application has requested the changes below:

17 **2.5.8 CHARGES FOR ELECTRIC SERVICE CONNECTIONS**

18 A. New and Additional Electric Service Connections. Service  
19 charges as provided in SSVEC approved Tariffs shall be imposed for  
20 new and additional Electric Service ~~connections~~-requests or for a  
21 change in Electric Service location to a new address.

22 B. Service Connection Callbacks. Service charges as provided in  
23 SSVEC approved Tariffs shall be imposed for a return trip to connect  
24 Electric Service if, at the Customer's request, it was previously made  
25 available at the Point of Delivery, if an inaccurate service address  
26 provided by the Customer results in a Service Connection callback or if  
27 the Customer postpones or cancels any service order already completed  
28

1 by SSVEC. Except in emergency situations as determined by SSVEC,  
2 SSVEC will not connect Electric Service after 9:00 p.m.

3 C. Property Damage. The Customer shall be billed for damages  
4 to SSVEC equipment or property caused by the Customer or the  
5 Customer's employee(s) or agent(s). Such damages and the cost of  
6 repair shall be billed at SSVEC's current rates for labor, transportation,  
7 equipment, and materials, less appropriate credit for salvage, if any.

8 31. After discussing in more detail the requested modifications to 2.5.8, Staff and SSVEC  
9 agree and propose the following for Section 2.5.8:

10 **2.5.8 CHARGES FOR ELECTRIC SERVICE CONNECTIONS**

11 A. New and Additional Electric Service Connections. Service  
12 charges as provided in SSVEC approved Tariffs shall be imposed for  
13 new and additional Electric Service ~~connections~~ ~~requests~~ or for a  
14 change in Electric Service location to a new address.

15 B. Service Connection Callbacks. Service charges as provided in  
16 SSVEC approved Tariffs shall be imposed for a return trip to connect  
17 Electric Service if, at the Customer's request, it was previously made  
18 available at the Point of Delivery, if an inaccurate service address  
19 provided by the Customer results in a Service Connection callback or if  
20 the Customer postpones or cancels any service order already completed  
21 by SSVEC. Except in emergency situations as determined by SSVEC,  
22 SSVEC will not connect Electric Service after 9:00 p.m.

23 C. Property Damage. The Customer shall be billed for damages  
24 to SSVEC equipment or property caused by the Customer or the  
25 Customer's employee(s) or agent(s). Such damages and the cost of  
26 repair shall be billed at SSVEC's current rates for labor, transportation,  
27 equipment, and materials, less appropriate credit for salvage, if any.  
28

32. In addition, Staff suggests that SSVEC make the corresponding changes to page 41 of the SSVEC tariff that references the service connections to reflect the proposed changes to 2.5.8.

Section 2.9.4

33. SSVEC's Application has requested the new section below:

**2.9.4 RECORD OF CONSUMPTION**

The installation and/or registration of SSVEC's meter at the customer's point of delivery shall serve as initiation of service and evidence of the amount of energy and/or billing demand used by the customer, except where non-metered service is supplied. However, in the event of failure of SSVEC's meter or of SSVEC personnel to obtain an actual reading, SSVEC will estimate the usage in accordance with Scheduled EM –Estimation Methodologies.

34. After discussing in more detail the requested insertion of 2.9.4, Staff and SSVEC agree and propose the following for the new Section 2.9.4 (changes from what was in the Application are in italics):

**2.9.4 RECORD OF CONSUMPTION**

The installation and/or registration of SSVEC's meter at the customer's point of delivery shall serve as initiation of service and *the meter reading shall serve as* evidence of the amount of energy and/or billing demand used by the customer, except where non-metered service is supplied. However, in the event of failure of SSVEC's meter or of SSVEC personnel to obtain an actual reading, SSVEC will estimate the usage in accordance with Scheduled EM –Estimation Methodologies.

...

...

...

...

1 Section 2.20.3

2 35. In regard to changes to Section 2.20.3-Termination of Electric Service with Notice, the  
3 Application requested to add subset lettering A-B and delete a portion of the new subset A. SSVEC's  
4 Application has requested the changes below:

5 **2.20.3 TERMINATION OF ELECTRIC SERVICE WITH**  
6 **NOTICE**

7 A. ~~With the exception of Customers falling under A.A.C. R14-2-~~  
8 ~~211.5,~~ SSVEC may disconnect Electric Service to any Customer for any  
9 reason stated below provided SSVEC has met the Notice requirements  
10 established by the ACC:

- 11 (i) Customer violation of any of SSVEC's Tariffs.  
12 (ii) Failure of the Customer to pay a delinquent bill for SSVEC  
13 Service.  
14 (iii) Failure to meet or maintain SSVEC's deposit requirements.  
15 (iv) Failure of the Customer to provide SSVEC reasonable access  
16 to its equipment and property.  
17 (v) Customer breach of contract for Electric Service between  
18 SSVEC and Customer.  
19 (vi) When necessary for SSVEC to comply with an order of any  
20 governmental agency having such jurisdiction.

21 B. SSVEC shall maintain a record of all terminations of Electric  
22 Service with Notice. This record shall be maintained for one (1) year  
23 and available for ACC inspection.

24 36. Section R14-2-211.5 of the A.A.C. details those situations in which a regulated utility in  
25 the State of Arizona is not allowed to terminate service for a customer who has an inability to pay.  
26 Those situations include: (a) where a customer can establish through medical documentation, in the  
27 opinion of a licensed medical physician, that terminating service would be dangerous to the health of a  
28 customer on the premises, (b) where life support equipment is used in the home that is dependent

1 upon utility service for operation, or (c) where weather will be dangerous to the health of someone in  
2 the home. All utilities regulated by the Commission are subject to these rules regarding when  
3 terminating service is not allowed.

4 37. During the most recent A.A.C. R14-2-103 rate case for SSVEC (Docket No. E-  
5 01575A-08-0328, Decision No. 71274, dated September 8, 2009), Staff expressed concern that  
6 SSVEC and its customers may not be fully grasping the intent behind A.A.C. R14-2-211.5. Rather  
7 than leaving room for misinterpretation of the rules outlining when a utility is not allowed to terminate  
8 service for a customer with an inability to pay, Staff recommended SSVEC incorporate in Section  
9 2.20.3 of its Service Conditions a reference to the A.A.C. R14-2-211.5. Staff believed adding this  
10 reference would clarify for both SSVEC and its customers exactly the rules dictating such termination.

11 38. According to SSVEC's data response to Staff, it has requested to delete this reference  
12 to the A.A.C. as it was not in previous Service Conditions (prior to Decision No. 71274) and other  
13 utilities have not been required to incorporate this same reference. While Staff understands that other  
14 utilities have not been asked to incorporate the same language at this point, this does not preclude the  
15 Commission from requiring other utilities to incorporate the same language in the future if there is a  
16 need for it. Staff believes the intent of the phrase SSVEC is requesting to delete is meant to clarify for  
17 both the utility and its customers exactly the terms in which utilities operate in the State of Arizona.  
18 Staff views the phrase as a valuable reference for customers if they are questioning service.

19 39. After discussing in more detail the requested modifications of Section 2.20.3, Staff  
20 agrees with the changes SSVEC has proposed in the Application incorporating the subset lettering A-  
21 B; however, Staff, as noted above, views the clarification of when the termination of service is not  
22 allowed as valuable. However, as an alternative, Staff proposes modifying Section 2.20.3 as indicated  
23 below deleting the reference to the A.A.C. but inserting a reference to earlier pages in the SSVEC  
24 Service Conditions (noted in italics).

25 **2.20.3 TERMINATION OF ELECTRIC SERVICE WITH**  
26 **NOTICE**

27 A. ~~With the exception of Customers falling under A.A.C. R14-2-~~  
28 ~~211.5,~~ SSVEC may disconnect Electric Service to any Customer for any

reason stated below provided SSVEC has met the Notice requirements established by the ACC with the exception of those items referenced in Section 2.20.1 of the SSVEC Service Conditions.

- (i) Customer violation of any of SSVEC's Tariffs.
- (ii) Failure of the Customer to pay a delinquent bill for SSVEC Service.
- (iii) Failure to meet or maintain SSVEC's deposit requirements.
- (iv) Failure of the Customer to provide SSVEC reasonable access to its equipment and property.
- (v) Customer breach of contract for Electric Service between SSVEC and Customer.
- (vi) When necessary for SSVEC to comply with an order of any governmental agency having such jurisdiction.

B. SSVEC shall maintain a record of all terminations of Electric Service with Notice. This record shall be maintained for one (1) year and available for ACC inspection.

### Section 3.6.3

40. In regard to changes to proposed Section 3.6.3-Meter Error Corrections (existing Section is labeled Meter Testing – Requested by the Customer), the Application requested to add new paragraphs and clarify the existing language so it closer mirrors the language of A.A.C. R14-2-210 (E). SSVEC's Application has requested the changes below along with an additional sentence added to subset A (in italics):

### **3.6.3 METER TESTING — REQUESTED BY THE CUSTOMER ERROR CORRECTIONS**

Any Customer may request a test on a Meter that is in the Customer's name and billed to the Customer. Test request forms are available at each SSVEC office which the Customer shall sign. The applicable service charge and Meter test charge for Service calls during

1 regular business hours shall also be made in accordance with SSVEC's  
2 Tariffs.

3 If the meter is more ~~that~~ than 3% inaccurate, averaged between  
4 light and heavy load tests, tests slow or has stopped, all applicable  
5 Meter test and service charges shall be waived and the Customer's bill  
6 for that meter shall be adjusted accordingly for the three (3)  
7 immediately previous billing periods before Meter removal. correction  
8 of previous bills will be made under the following terms:

9 A. If the date of the meter error can be definitely fixed, SSVEC  
10 shall adjust the customer's billings back to that date. If the date of the  
11 meter error can't be determined, adjustments to the customer's bills will be limited to  
12 three months for residential customers and six months for non-residential customers.  
13 If the customer has been under-billed, the Co-op will allow the  
14 customer to repay the difference over an equal length of time that the  
15 under-billings occurred. The customer may be allowed to pay the back  
16 bill without late payment penalties, unless there is evidence of meter  
17 tampering or energy diversion.

18 B. If it is determined that the customer has been over-billed and  
19 there is no evidence of meter tampering or energy diversion, SSVEC  
20 will make prompt refunds in the difference between the original billings  
21 and the corrected billings.

22 C. No adjustment shall be made by the Co-op except to the  
23 customer last served by the meter tested.

24 The Meter shall be tested in the Meter shop before any  
25 adjustments are made, and if practical, before the Meter cover is  
26 removed. The Customer or a Customer representative may be present  
27 when the Meter is tested, but this must be stated in writing at the time  
28 the test request is made. If requested to do so, SSVEC personnel shall

1 attempt to arrange a test during regular business hours with the  
2 Customer present. If, 30 Days after meter removal, SSVEC has been  
3 unable to arrange such a test because of failure on the Customer's part  
4 to attend the test, SSVEC shall test the Meter without the Customer  
5 being present. The Customer shall be notified of the results of the test  
6 by mail within a reasonable time after the test has been completed.

7 41. After discussing in more detail the requested modifications of Section 3.6.3, Staff  
8 agrees with the changes SSVEC has proposed in the Application without the additional sentence  
9 added to subsection A but requests the insertion of one additional paragraph (in italics) contained in  
10 A.A.C. R14-2-210 (E) which further clarifies how far back a utility can bill a customer for an under-  
11 billing when it is not possible to determine when exactly the meter error began and rephrase a  
12 sentence in the last paragraph (in italics):

13 **3.6.3 METER TESTING ~~REQUESTED BY THE~~**  
14 **~~CUSTOMER ERROR CORRECTIONS~~**

15 Any Customer may request a test on a Meter that is in the  
16 Customer's name and billed to the Customer. Test request forms are  
17 available at each SSVEC office which the Customer shall sign. The  
18 applicable service charge and Meter test charge for Service calls during  
19 regular business hours shall also be made in accordance with SSVEC's  
20 Tariffs.

21 If the meter is more ~~that~~ than 3% inaccurate, averaged between  
22 light and heavy load tests, tests slow or has stopped, all applicable  
23 Meter test and service charges shall be waived and the ~~Customer's bill~~  
24 ~~for that meter shall be adjusted accordingly for the three (3)~~  
25 ~~immediately previous billing periods before Meter removal correction~~  
26 of previous bills will be made under the following terms:

27 A. If the date of the meter error can be definitely fixed, SSVEC  
28 shall adjust the customer's billings back to that date. If the customer



1 has been under-billed, the Co-op will allow the customer to repay the  
2 difference over an equal length of time that the under-billings occurred.  
3 The customer may be allowed to pay the back bill without late payment  
4 penalties, unless there is evidence of meter tampering or energy  
5 diversion.

6 B. If it is determined that the customer has been over-billed and  
7 there is no evidence of meter tampering or energy diversion, SSVEC  
8 will make prompt refunds in the difference between the original billings  
9 and the corrected billings.

10 C. No adjustment shall be made by the Co-op except to the  
11 customer last served by the meter tested.

12 D. Any under-billing resulting from a stopped or slow meter, utility or Meter  
13 Reading Service Provider meter reading error, or a billing calculation shall be limited  
14 to three months for residential customers and six months for non-residential  
15 customers. However, if an under-billing by the utility occurs due to inaccurate, false,  
16 or estimated information from a third party, then that utility will have a right to  
17 backbill that third party to the point in time that may be definitely fixed, or 12  
18 months. No such limitation will apply to over-billings.

19 The Meter shall be tested in the Meter shop before any  
20 adjustments are made, and if practical, before the Meter cover is  
21 removed. The Customer or a Customer representative may be present  
22 when the Meter is tested, but this must be stated in writing at the time  
23 the test request is made. If requested to do so, SSVEC personnel shall  
24 attempt to arrange a test during regular business hours with the  
25 Customer present. If, ~~after 30 days from when the meter was removed~~  
26 ~~meter removal~~, SSVEC has been unable to arrange such a test because of  
27 failure on the Customer's part to attend the test, SSVEC shall test the  
28 Meter without the Customer being present. The Customer shall be

1 notified of the results of the test by mail within a reasonable time after  
2 the test has been completed.

3 Staff Recommendations

4 42. With the exception of those items noted above, Staff has recommended the adoption  
5 of the suggested modifications to the Service Conditions, including the additional revision filed on  
6 November 26, 2014. Staff agrees these modifications are meant to be revenue neutral and are in the  
7 public interest.

8 43. Staff has recommended adoption of the Staff-suggested revisions as explained above  
9 in the Staff Analysis of the Proposed Changes to Sections 2.4.8, 2.20.3, and 3.6.3 of the SSVEC  
10 Service Conditions.

11 44. Staff has further recommended the adoption of the suggested revisions agreed to by  
12 SSVEC and Staff as explained above in the Staff Analysis of the Proposed Changes for Sections 2.5.6,  
13 2.5.7, 2.5.8, and 2.9.4 of the SSVEC Service Conditions.

14 45. In addition, Staff has recommended that SSVEC revise its Schedule of Service Charges  
15 – Schedule SC Tariff Sheet Nos. 41-43 of its current Tariff, as indicated in the Staff Analysis of the  
16 Proposed Changes, to make similar modifications in the appropriate sections of Schedule SC.

17 46. Staff has further recommended SSVEC be required to file, with Docket Control,  
18 revised Service Conditions and a revised Schedule of Service Charges – Schedule SC in compliance  
19 with the Decision in this case within 15 days of the effective date of the Decision.

20 CONCLUSIONS OF LAW

21 1. Sulphur Springs Valley Electric Cooperative, Inc. is an Arizona public service  
22 corporation within the meaning of Article XV, Section 2, of the Arizona Constitution.

23 2. The Commission has jurisdiction over Sulphur Springs Valley Electric Cooperative,  
24 Inc. and over the subject matter of the application.

25 3. The Commission, having reviewed the application and Staff's Memorandum dated  
26 February 12, 2015, concludes that the revisions to the Sulphur Springs Valley Electric Cooperative,  
27 Inc.'s Service Conditions should be approved as discussed herein.

28 ...

ORDER

IT IS THEREFORE ORDERED that Sulphur Springs Valley Electric Cooperative, Inc.'s proposed revisions to its Service Conditions with the exception of Sections 2.4.8, 2.5.6, 2.5.7, 2.5.8, 2.9.4, 2.20.3, and 3.6.3 are hereby approved as discussed herein.

IT IS FURTHER ORDERED that Section 2.4.8 of the Sulphur Springs Valley Electric Cooperative, Inc.'s Service Conditions, as revised in Finding of Fact No. 23, is hereby approved.

IT IS FURTHER ORDERED that Section 2.5.6 of the Sulphur Springs Valley Electric Cooperative, Inc.'s Service Conditions, as revised in Finding of Fact No. 25, is hereby approved.

IT IS FURTHER ORDERED that Section 2.5.7 of the Sulphur Springs Valley Electric Cooperative, Inc.'s Service Conditions, as revised in Finding of Fact No. 28, is hereby approved.

IT IS FURTHER ORDERED that Section 2.5.8 of the Sulphur Springs Valley Electric Cooperative, Inc.'s Service Conditions, as revised in Finding of Fact No. 31, is hereby approved.

IT IS FURTHER ORDERED that Section 2.9.4 of the Sulphur Springs Valley Electric Cooperative, Inc.'s Service Conditions, as revised in Finding of Fact No. 34, is hereby approved.

IT IS FURTHER ORDERED that Section 2.20.3 of the Sulphur Springs Valley Electric Cooperative, Inc.'s Service Conditions, as revised in Finding of Fact No. 39, is hereby approved.

IT IS FURTHER ORDERED that Section 3.6.3 of the Sulphur Springs Valley Electric Cooperative, Inc.'s Service Conditions, as revised in Finding of Fact No. 41, is hereby approved.

...

...

...

...

...

...

...

...

...

...

1 IT IS FURTHER ORDERED that Sulphur Springs Valley Electric Cooperative, Inc. file with  
2 Docket Control, as a compliance item, a revised Schedule of Service Charges – Schedule SC from its  
3 Tariff, incorporating those modifications specified in this Decision, within 15 days of the effective  
4 date of this Decision.

5 IT IS FURTHER ORDERED that Sulphur Springs Valley Electric Cooperative, Inc. file, with  
6 Docket Control, revised Service Conditions in compliance with this Decision within 15 days of the  
7 effective date of the Decision.

8 IT IS FURTHER ORDERED that this Order shall become effective immediately.

9  
10 **BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION**

11  
12 \_\_\_\_\_  
CHAIRMAN

COMMISSIONER

13  
14  
15 COMMISSIONER

COMMISSIONER

COMMISSIONER

16 IN WITNESS WHEREOF, I, JODI JERICH, Executive  
17 Director of the Arizona Corporation Commission, have  
18 hereunto, set my hand and caused the official seal of this  
19 Commission to be affixed at the Capitol, in the City of  
20 Phoenix, this \_\_\_\_\_ day of \_\_\_\_\_, 2015.

21 \_\_\_\_\_  
JODI JERICH  
22 Executive Director

23 DISSENT: \_\_\_\_\_  
24

25 DISSENT: \_\_\_\_\_  
26

27 SMO:RSP:sms\WVC  
28

SERVICE LIST FOR: Sulphur Springs Valley Electric Cooperative, Inc.  
DOCKET NO. E-01575A-14-0378

Mr. Jeffrey W. Crockett, Esq.  
Brownstein Hyatt Farber Schreck LLP  
One East Washington Street, Suite 2400  
Phoenix, Arizona 85004

Mr. Jack Blair  
Sulphur Springs Valley Electric Cooperative, Inc.  
311 East Wilcox  
Sierra Vista, Arizona 85635

Mr. David Bane  
Sulphur Springs Valley Electric Cooperative, Inc.  
311 East Wilcox  
Sierra Vista, Arizona 85635

Ms. Lyn A. Farmer, Esq.  
Chief Administrative Law Judge  
Hearing Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Mr. Steven M. Olea  
Director, Utilities Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007

Ms. Janice Alward  
Chief Counsel, Legal Division  
Arizona Corporation Commission  
1200 West Washington Street  
Phoenix, Arizona 85007